

**Questions Raised by Official Service Providers (OSP)
at the Kansas City Training Session
(February 21 – 23, 2007)**

Q. Why is this Quality Management program necessary?

GIPSA is introducing the Quality Management program [initiative] as a tool to improve the efficiency and effectiveness of the management and oversight of official service providers.

In 1997, GIPSA disseminated a “Vision 2002 – GIPSA’s Federal Grain Inspection Service: Today and Tomorrow,” which outlined our plan to capitalize on technological advances; adapt to projected attrition due to retiring employees; and improve the efficiency and effectiveness of the official inspection program by directly linking service providers to the national reference standards. The concept of centralizing functions through technological advances was further supported by Dr. John Surak’s January 2002 research study entitled, “Quality Assurance/Quality Control and Oversight Study”.

GIPSA is actively addressing both the plans to improve oversight, as outlined in the above papers, and the key factors of technology and attrition. Information management is a requirement for efficiently overseeing services provided to the grain industry. GIPSA’s new Inspection Data Warehouse [IDW] allows us to receive, store, and analyze information about services provided within the official system. As attrition from field offices is accelerating, GIPSA is consolidating our inspection/grading oversight staff to form the nucleus of a future national oversight operation in Kansas City. The Minneapolis Field Office is being closed and oversight functions are moving to Kansas City. GIPSA plans to consolidate oversight functions of additional domestic offices in Kansas City as attrition continues. GIPSA also plans to establish a Quality Assurance and Control Staff and a Field Operations and Support Staff in Kansas City in 2007. These two staffs will provide consolidated technical and administrative support to existing field offices and official service providers. GIPSA will house all of these staffs, along with the Technical Services Division, in a single GIPSA facility in Kansas City (either a renovated Technical Center or new space) by 2008.

Official service providers will continue to receive support from the central facility, but as field operations diminish, official service providers must assume a larger role in ensuring that their organizations adhere to all GIPSA statutes, regulations, handbooks, and directives. The Quality Management Standard is the mechanism both official service providers and GIPSA can use to ensure this occurs.

Essentially, all of the driving forces for a transition to centralization and consolidation – technological advances, attrition due to retirements, and new

GIPSA space in Kansas City -- are or soon will be in place. With these changes comes greater responsibility for official service providers to ensure their own compliance with GIPSA requirements.

Q. How will it benefit my company?

The Quality Management program provides official service providers with a tool for developing a sound management plan that clearly defines internal management processes, personnel responsibilities, and documentation of management activities. Generally, the program allows your organization to provide transparency that enables your employees to better understand and contribute to the company's business and management processes. This, in turn, results in a more efficient and better performing organization. The program also helps you set and achieve improvement goals and take corrective action when problems occur.

The process also establishes a standard mechanism to audit the performance of official service providers. Using the Quality Management Standard, with its requirements for internal audits, official service providers can determine their compliance with GIPSA requirements and prevent the possible adverse actions.

Q. Is there a timeline for implementation of GIPSA's planned changes? If so,

- **What changes are taking place?**
- **What is being replaced/revised/created?**
- **Who will be responsible for which activity?**
- **When will the changes be implemented?**
- **Has the value added to GIPSA and the Official Agencies by these changes been carefully weighed?**

Establishing a sound Quality Management program requires significant development and implementation time. The Quality Management process must begin now to ensure that it coincides with the consolidation of GIPSA oversight functions. In 2007, Field Management Division will instruct and help official service providers develop their quality manuals. In 2008, the Compliance Division will begin using the Quality Management program as part of the review process, having provided official service providers the opportunity to first develop and use their quality manuals. As the Quality Management program becomes an integral component of each official service provider's business process, the Compliance Division will place greater emphasis on Quality Management audits rather than traditional reviews to measure overall performance. By 2009, the Quality Management Programs for all official service providers should be fully implemented.

Q. How will this coincide with the 3-year reviews? Will there continue to be reviews?

The designation process will remain on a 3-year cycle; but oversight will be provided by internal and external audits. Reviews will continue to be conducted by the Compliance Division until October 2008 to allow official service providers time to develop and use their quality manuals. In October 2008, reviews will include Quality Management Standard adherence. Over time reviews will be replaced by Quality Management audits to measure overall performance. In addition, annual submissions of internal audit documents and the minutes of management review meetings will be reviewed to determine the level of implementation and conformance to the Quality Standard.

Q. Why can't we do this as a pilot program?

Quality Management systems are tried and proven tools for improving business operations. Our decision to initiate quality management standards is based on their successful track record. Our timing is based on the process already underway to consolidate the oversight of official service providers. To coordinate this extensive shift in oversight activity, the process of introducing and using the Quality Management program must begin now.

Q. The program will be costly to implement and may even require hiring additional personnel. We will have to raise our fees. Will GIPSA consider reimbursing us or lowering their fees?

GIPSA projects the consolidation of oversight activities and the use of the Quality Management program will reduce the GIPSA oversight costs. By law, GIPSA must recover through user fees the cost of services provided. So, as the program develops, GIPSA will evaluate the amount of revenue needed to recover oversight program costs, and adjust the supervision fees accordingly. GIPSA Directive 9100.7, Fees for Official Agency Services, allows official service providers to include the cost of supervision and monitoring activities in their request for fee increases.

Q. Why does GIPSA continue to train private companies to do the work ordinarily done by Official Agencies? This takes work away from the Agencies.

GIPSA, like official agencies, is asked to provide basic instruction and information on grading and testing grain samples to a variety of audiences. Our workshops and seminars provide fundamental information about how the official inspection process works. The training is not designed to develop licensed individuals but is provided as technical outreach and education.

Q. It appears that companies who are doing a good job are somehow being punished because of the companies that are not doing a good job. Why not force them to implement a QMS, and leave the good ones alone with the review process?

The introduction and implementation of the Quality Management program is part of the comprehensive plan to consolidate field offices and centralize oversight. The process will benefit all official service providers by improving business operations and formalizing their internal management controls. Use of the program by all official inspection providers will ensure that we, as the official inspection system, continue to provide excellent service to the industry.

Q. Is FGIS going to be required to implement a Quality Management System?

A. FGIS Field Offices performing inspection and weighing services will be required to implement a Quality Management System. . Field Management Division plans to develop a Quality Standard for the entire division. The standard will begin at the Director level and cascade down to field offices, branches, and other staffs within the division. The standards will have similar requirements for documentation, recordkeeping, purchasing, resources, and service provision.

Q. Is there a chance that the QMS Template will be revised several times during the next few months?

A. We plan to leave the template unchanged once it is published. In the event that it must be amended, official agencies will be notified of the changes.

Q. Will findings from the audits of OSPs be published so other Agencies can make appropriate changes?

A. GIPSA will publish recurring audit findings, particularly if there is a recurring problem during the desk audits indicated by the training material or the template.